SEBI device to dispel misgivings among investors

3990. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Securities and Exchange Board of India (SEBI) has devised a novel way to dispel misgivings among investors about irregularities in the allotment of shares from issues; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The information is being collected and will be laid on the Table of the House.

Grant of Capital Market access to Banks

3991. SHRI MENTAY PADMANABHAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news items which appeared in the 'Economic Times' dated the 15th March, 1993 captioned "Law to Grant Capital Market Access to Banks under study";

(b) if so, what are the details of the proposed legislation;

(c) whether it is a fact that the State Bank of India can enter into Capital markets without any prior legislation;

(d) whether Government will extend the same facilities to other public sector banks; and

(e) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) to (e) While presenting the Union Budget for 1993-94, the Finance Minister has stated that Government have decided that State Bank of India as well as other nationalised banks which are in a position to do so will be allowed to access the capital markets to raise fresh equity to meet their shortfall in capital requirements over the next three years. Finance Minister has also stated that Government will continue to retain majority ownership and, therefore, effective control in the public sector banks. Reserve Bank of India have been requested to formulate necessary legislative proposals in this regard.

Fraud in LIC

3992. CHOWDHARY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news item of 'Indian Express' New Delhi dated the 16th March, 1993 captioned "Major Fraud in L.I.C. detected";

(b) if so, what are the details of the above fraud;

(c) whether Government have made any investigation into the case; and

(d) what are the names of the persons involved in the said fraud?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) Yes, Sir. As per the information furnished by the Life Insurance Corporation of India, their audit team have pointed out that in 26 cases the premiums were received and adjusted after the surrender of the policies. The sums assured under these policies range from Rs. 3000/- to Rs. 17,000/-. The policies were under salary deduction schemes and the premiums continued to be deducted by the employer and remitted to the

Corporation. All further adjustments have since been stopped in these cases and the employer has been advised to stop deductions. Action is being taken to refund the amount wrongly received. One employee of the LIC has been placed under suspension. Separately, certain irregularities were also noticed in sanctioning loans. Both the matters are being investigated by LIC.

Withdrawal of the Powers of indirect tax tribunals

3993. SHRI VIREN J. SHAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to withdraw the powers of the Indirect Tax Tribunals to grant stay in the event of disputes in the assessment of excise and customs duties:

(b) if so, what are the details in this regard;

(c) to what extent the Tribunal's powers to grant stay have affected the revenue collections during each of the last three years;

(d) whether Government propose to set up a Settlement Commission; and

(e) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) The existing provisions provide that where in any appeal, the order appealed against relates to any duty and interest or any penalty levied, the appellant shall, pending the appeal, deposit the duty and interest demanded or the penalty levied. However, where in any particular case, the Appellate Tribunal is of the opinion that the deposit would cause undue hardship to the appellant, it may dispense with such deposit subject to such conditions as it may deem fit to impose. No such provision for dispensing with deposit has been made in the proposed amendment contained in clauses 42 and 44 of the Finance Bill, 1993.

(c) The requisite information is being collected and will be laid on the Table of the House.

(d) and (e) The details of the proposed Settlement Commission are under examination.

Yeltsin has the last laugh

3994. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn towards the newsitem captioned 'Yeltsin has the last laugh' which appeared in the Observer of Business & Politics, Bombay dated First February, 1993; and

(b) if so, what are the facts and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) The former USS extended to the Government of India a number of state credits for both defence and civilian sector projects in India. The credits were denominated in roubles but repayments by India were to be made in rupees by means of export of Indian goods. The rate of exchange between the rupee and the rouble was established by the Protocol of November, 1978 between the two countries. The formula provided for changes in the value of the rupee in relation to a 16 currency basket (the old SDR basket) but assumed that the value of the rouble to be invariant. In accordance with this formula, the rouble appreciated from Rouble 1-Rs. 10 when the 1978 Protocol was signed to Rouble 1-Rs. 31.7874 when the exchange rate was last notified on 17.11.91 before the dissolution of the former USSR. There was no provision for the cross parity principle in